



U.S. Department of Energy
Energy Efficiency and Renewable Energy

Energy Savings Performance Contracting

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FUNDAMENTAL CONCEPTS

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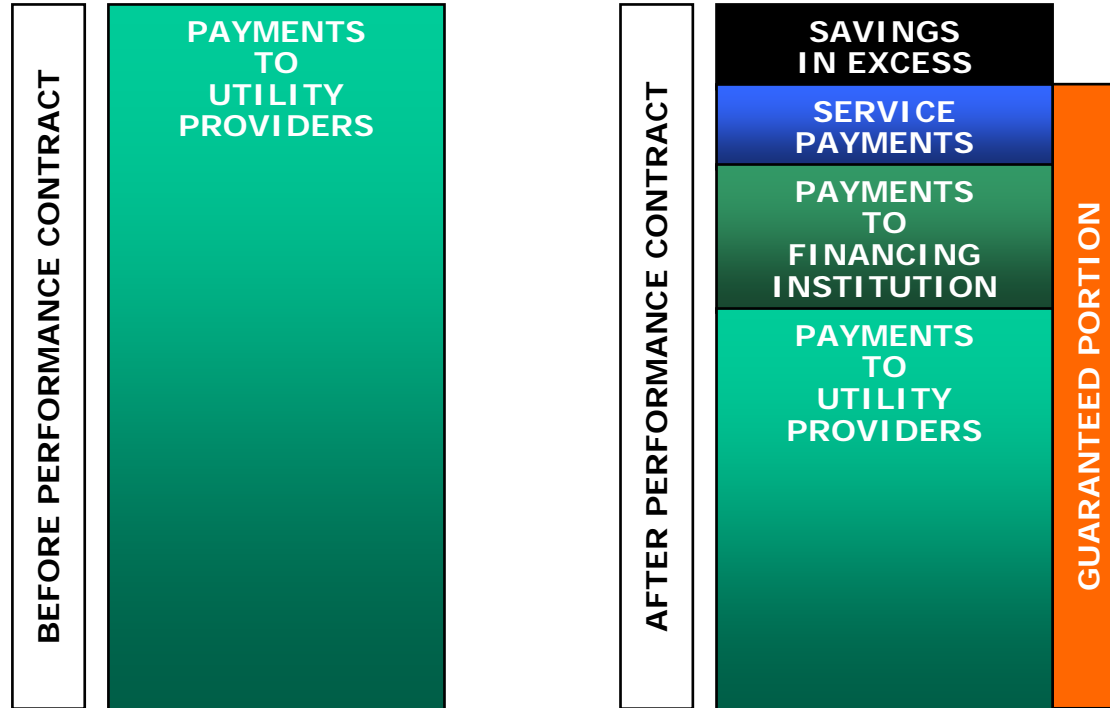


Energy Performance Contracting

- Outcome-based Guarantee
- A way to finance and implement capital improvements and services
- Should be offered by a qualified Energy Service Company (ESCO)
- Energy and cost savings need to be sufficient to cover all project costs
- A bundled set of retrofit, service, O&M, and Energy Management Services



Energy Performance Contracting





Traditional Measures

- Lighting system improvements
- Energy efficient motors and pump
- Steam trap repairs and replacement
- Water and waste water conservation
- Variable frequency drives
- HVAC equipment upgrades
- New or upgraded appliances
- Vending machines, plug loads
- Energy Management Systems and Building Automation Systems

Comprehensive Measures

- Cogeneration
- Micro-turbines
- Renewable Energy Options; PV, Wind, Fuel cell, Geo-thermo
- Window replacements
- Solar thermal for swimming pools, hot water
- Central Plant upgrades, boilers, water treatment
- Fuel switching options
- Electrical Systems upgrades and Preventive Maintenance



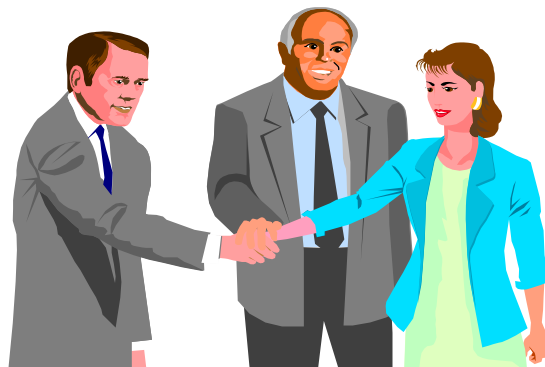
DEFINITION

- Procurement Methodology with 'assured' economic results.
- Takes advantage of existing operating inefficiencies
- Optimizes Operating & Capital Budgets



PC - Why Use it?

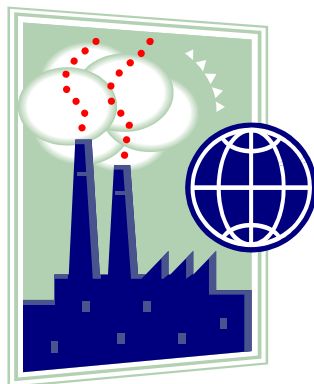
- It's Legal – subsequently
- It's Efficient!





PC - Why Use it?

- **It's environmentally correct!**
 - Fossil fuel consumption is reduced
 - Equipment Life Span is increased





PC - Why Use it?

- **It addresses Deferred Maintenance**
 - Mandates successful service strategies
 - Increases the life of equipment
 - Ensures better use of operating budgets





PC - Why Use it?

- *You can get* **NEW STUFF**
- *Addresses Infrastructure needs*
 - *Better use of capital budget*
 - *YOU select the priorities for capital expenditures*





PC - Why Use it?

- ***It limits your decision-making “risk”***
 - *Assured economic results through the PC Guarantee*

